

# Louisiana

## Drinking Water Revolving Loan Fund Program

Administrative Set-Aside Activities  
EPA Capitalization Grant for FFY13  
July 2013

# Introduction

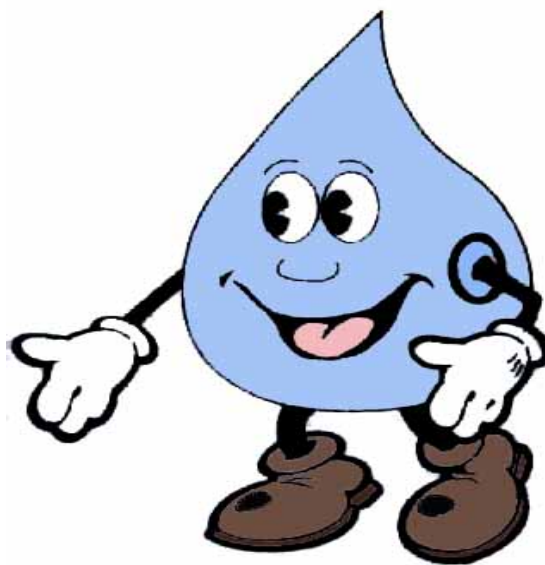
The State of Louisiana has submitted to the Environmental Protection Agency (EPA), an application pursuant to Section 1452 of the Safe Drinking Water Act Amendments (SDWAA) of 1996 for a capitalization grant for the Louisiana Drinking Water Revolving Loan Fund (DWRLF). The Intended Use Plan (IUP) was an additional required document which detailed how the state would utilize the Federal allotment of funds available to the DWRLF Program as authorized under the Drinking Water Revolving Loan Fund Act (R.S. 40:2821 et seq). Included in the IUP was a description of the uses of the set-aside funds allowed under sections 1452(g)(2) and 1452(k) of the SDWAA for both non-project and project activities.



This work plan is required by 40 CFR 35.3540 (c) and is the State of Louisiana's detailed description of specific strategies to accomplish the activities identified in the Intended Use Plan for the Administration Set-Aside.

## Annual Funding

The State reserves \$678,480 (4.0% of \$16,962,000) from the FFY13 cap grant to fund the administration set-aside. Louisiana specifies \$520,000 of the FFY13 cap grant for set-aside administrative activities and classifies the remaining \$153,480 as unspecified.



The cumulative remaining balance of unspecified funds of \$3,617,649 will be retained to take from a future capitalization grant to fund administrative activities in future years. The expenses

associated with this set-aside for SFY '14 will be funded from this capitalization grant and any unexpended funds from previous years.

## Activities

These funds will be used for administration of the Drinking Water Revolving Loan Fund Program. More specifically, these activities include:

- Marketing the program to solicit loan applicants.
- Meeting with potential loan applicants to explain the program.
- Working with loan applicants throughout the loan process:
  - Assisting them with preparing and assembling the required documents.
  - Reviewing the documents and providing oversight in their preparation.
  - Answering questions regarding the project.
  - Attending public hearings, pre-construction meetings, and meetings explaining documentation required for requesting draw down of funds, loan closings, etc.
- Monitoring the loan once it is made.
  - Reviewing requests for draw downs for accuracy and eligibility.
  - Keeping accurate records of draws.
  - Invoicing recipients for interest and principal payments timely and accurately.
  - Performing construction inspections.
  - Reviewing audit reports submitted by recipients annually.

- Preparing reports as required by EPA and the State of Louisiana.
- Evaluating employee's performance and other activities as required by the State of Louisiana.
- Conducting coordination meetings to discuss loan recipients' status.
- Maintain tracking system of loans in process.

The Louisiana Department of Health and Hospitals (LDHH) have a contractual arrangement with the law firm of Adams and Reese for the purposes of receiving legal representation and advice. These attorneys are specialized in the area of bonds and assist the LDHH with issuing bonds for state match, purchasing bonds of those systems loaned money from the program, revising and establishing standardized loan documents for use by the program and advising the staff regarding options to maximize funds available to meet the needs of those systems requesting loans.

The LDHH has a contractual arrangement with the firm of Public Financial Management (PFM), to provide independent financial advice to the DWRLF program for the purpose of leveraging the program if the need arises in the future.

The DWRLF will allocate the employees' time to the various set-aside activities that they perform. Therefore, the expenditures should more accurately reflect the activities listed above.

# Schedule

Because of the need for low interest loans by public water systems in Louisiana, the State plans to continue to implement this set-aside as long as outstanding loans exist. Consequently, there is not expected to be a completion date for this activity; however, the State specified \$520,000 of the FFY13 capitalization grant

monies for these activities. We expect the schedule for expenditures for this set-aside to be July 2013 through June 2014 with approximately \$520,000 being expended.

